

Options for Electric Customer Choice

Table of Contents

1. The Current Electricity System	page 1
2. The Electric System Mandated by The Customer Choice Act.....	page 2
3. Participating in Supplier Choice	page 2
4. Lottery Process for Supplier Choice for Category 2 Non-Residential Customers	page 3
5. Your Rights	page 4

1. The Current Electricity System

Interstate Power Company (doing business as Alliant Energy (IPC)) currently provides every aspect of your electric service, including supplying and delivering your electricity. Rates are set by the Illinois Commerce Commission (ICC) based on the utilities' costs.

2. The Electric System Mandated by The Customer Choice Act

Under the Customer Choice Act, the supply/generation part of your electric service may be separated or "unbundled" from the delivery of energy. When you become eligible for unbundled services, it means you have the option to choose your supplier/generator, namely, Alliant Energy (IPC) or another authorized supplier.

Under the law, another authorized supplier may be:

- 1) another Illinois electric utility OR
- 2) another provider known in the law as an "Alternative Retail Electric Supplier" (ARES) who has been certified by the Illinois Commerce Commission (ICC).

Competition and the free market will set electricity generation/supply rates for ARES.

Regardless of your choice of electric supplier, Alliant Energy (IPC) will continue to deliver your electricity. This means Alliant Energy (IPC) will operate and maintain facilities, restore these facilities if outages occur and provide other related delivery services.

3. Participating in Supplier Choice

The option to choose an electric supplier will be phased in over the next few years. Beginning October 1, 1999, the Customer Choice Act specifies two ways your organization may be eligible to choose your electric supplier.

- 1) If you are a non-residential customer (commercial, industrial or governmental) with a monthly electrical demand of 4,000 kilowatts or higher at a single site (category 1).
- 2) By self-selection into a lottery of non-residential customers (category 2).

An initial evaluation of your organization's eligibility has been determined based on electrical demand for the twelve months ending December 31, 1998. At present, based on the initial evaluation, your organization qualifies for the self-selection lottery (category 2).

Alliant Energy (IPC) will make a final determination of your eligibility under the above eligibility categories using the 12 months of billing data ending June 30, 1999. You will receive written notification by July 15, 1999, if this determination indicates you fall into category 1.

4. Lottery Process for Supplier Choice for Category 2 Non-Residential Customers

There will be two types of lotteries for the medium-sized and small non-residential customers in Alliant Energy (IPC)'s service area:

- 1) A **common ownership lottery** for each non-residential customer with more than one facility under common ownership in Alliant Energy (IPC)'s service area. Accounts representing one-third of the total annual electrical usage of each eligible customer's common ownership accounts entering this lottery will be selected. Customers eligible for the common ownership lottery may enter any or all of their sites into either the general lottery or the common ownership lottery, but not both.
- 2) A **general lottery** for all non-residential customers who are not eligible or do not choose to enter the common ownership lottery.

If you decide to register to participate in either the **common ownership or general lottery**, please complete and return the enclosed self-addressed postage-paid postcard Alliant Energy (IPC) by June 15, 1999. Please identify all accounts you desire to enter into the **common ownership lottery**. (Your account number is a 13 digit number located in the upper left hand corner of your monthly bill from Alliant Energy (IPC).) If you need assistance in identifying your "common ownership" accounts please call Alliant Energy (IPC)'s Customer Care Program at 1-800-723-7635, by June 15, 1999. Please have any of your Alliant Energy (IPC) account number(s) ready, if available, for assistance in identifying all of your accounts.

If you register for either lottery, with your approval, your organization's name, address, and Alliant Energy (IPC) rate and service classification will be released to qualified energy suppliers. However, registration in either lottery process does not obligate you to choose another supplier.

The lotteries will be conducted by Alliant Energy (IPC) and completed by July 15, 1999, according to procedures approved by the Illinois Commerce Commission. An independent accounting firm will certify that the lotteries comply with Illinois Commerce Commission guidelines. If your organization registers for either lottery, Alliant Energy (IPC) will send you written notification of whether or not your organization is selected for supplier choice in the general lottery, and which accounts are eligible for supplier choice for the common ownership lottery. If you are not chosen in the lottery process, you will become eligible on December 31, 2000.

The combined electrical annual usage of the customers selected in the general lottery will represent no more than one-third of the annual electricity used by

Alliant Energy (IPC)'s non-residential customers in Illinois, excluding customers participating in the common ownership lottery and those large customers qualifying in the greater than 4,000 kilowatt monthly electrical demand category noted above. If less than one-third of the annual electricity usage of Alliant Energy (IPC) in Illinois is represented by customers registering to choose another supplier in the general lottery, then all of these customers will be eligible to choose another supplier.

If your organization is selected in the lottery process to choose your electric supplier, you have two options.

- 1) You may continue your existing bundled service.
- 2) Beginning with your first billing cycle after October 1, 1999, you may buy your electricity from any other supplier authorized by the Illinois Commerce Commission, and have Alliant Energy (IPC) deliver the electricity to your premise.

If you exercise supplier choice, you may buy your power individually or as a member of a group from an alternative supplier approved by the Illinois Commerce Commission. Alliant Energy (IPC) will deliver the power to your premises. If you are not chosen in the lottery process, you will become eligible for supplier choice by December 31, 2000.

The quality of delivery of power and energy obtained from an alternative supplier approved by the Illinois Commerce Commission will be the same as Alliant Energy (IPC)'s own power. The delivery of power and energy will continue to be regulated by the Illinois Commerce Commission and the Federal Energy Regulatory Commission.

5. Your Rights

The law gives you many rights and protections.

- 1) Alliant Energy (IPC) will not release your organization's name, address, or rate/service classification number, to alternative suppliers unless you expressly authorize the release by signing the enclosed registration form.
- 2) Alliant Energy (IPC) will not release your usage or billing information or telephone number(s) unless written authorization is received from a company representative to release such information.
- 3) If you dispute the eligibility category for your organization, or have any other disputes arising from the lottery process, you may call Alliant Energy (IPC)'s Customer Care Program at 1-800-723-7635.

Customers may write the ICC at 527 East Capitol Avenue, Springfield, IL 62794-9280, or visit the Commission's website at www.icc.state.il.us if they wish to file a complaint or have questions about the eligibility process.

For more information, call Alliant Energy (IPC)'s Customer Care Program at 1-800-723-7635.